

## TRAINING MODULE 6

### STUDY PLAN

# VA Insurance

#### Objective:

To learn about the different types of life insurance plans available to veterans, and the terms and conditions associated with them.

#### References:

Title 38, U.S. Code, Chapter 19.

38 Code of Federal Regulations, Parts 6, 7, 8, 8a, and 9.

Insurance Operations Manual 29-1

VA Pamphlets:

29-9, *Service-Disabled Veterans Insurance: RH: Information and Premium Rates*

29-77-03, *Facts About Beneficiary and Option Designations:*

*Do You Know How the Naming of a Beneficiary or Beneficiaries and  
Selection of Optional Settlements Affect the Payment of Your  
Government Life Insurance?*

29-77-4, *Veterans Special Life Insurance: Information About Conversion and Premium  
Rates For "W" Policies*

SGL 74-3, *Information Pamphlet for Converting Your Servicemen's Group Life Insurance  
to Veterans Group Life Insurance*

SGLV 78-1, *Questions and Answers on Servicemen's Group Life Insurance*

80-06-01, *Federal Benefits for Veterans and Dependents*

VA Handbook: H-29-98-1, *Servicemembers' and Veterans' Group Life Insurance Handbook*

VA Booklet: *VA Life Insurance Programs for Veterans and Servicemembers*  
(January 2006)

#### Instructions:

Study the assigned reference materials to learn how to assist veterans and beneficiaries to apply for VA insurance and/or the proceeds from veteran's insurance.

#### Summary:

THE DEPARTMENT OF VETERANS AFFAIRS (VA) EITHER DIRECTLY ADMINISTERS OR supervises the administration of eight different insurance programs, covering veterans and active duty service members from World War I to the present. All VA insurance activities are centralized to the VA Regional Office and Insurance Center (VAROIC) in Philadelphia, Pennsylvania. The Insurance Center formerly located at VARO St. Paul, Minnesota, is closed.

## VA Insurance

The oldest VA insurance program is United States Government Life Insurance (USGLI), identified by policy number prefix “**K**”. This was established in 1919 for conversion of World War I War Risk Term Insurance, and was later made available to service members who had served after World War I, until October 8, 1940. After that date only veterans who had actually served in World War I were eligible for enrollment. All enrollments under this program were closed on April 24, 1951. As of January 1, 1983 all USGLI policies were declared paid-up, and premiums are no longer collected on them.

With the massive expansion of the U.S. Armed Forces just before World War II, a new program, National Service Life Insurance (NSLI), identified by policy number prefixes “**V**”, “**N**”, or “**AN**”, was opened on October 8, 1940. This was also a term insurance, with a \$10,000 limit. The policies could be renewed indefinitely, with associated increases in premiums as the policyholder got older, or could be converted to a permanent plan with fixed premium rates. In 1984 premium rates for the term policies were capped at the age 70 levels. All NSLI enrollments also closed on April 24, 1951.

Between August 1, 1946 and December 31, 1949 a small number of NSLI policies, identified by policy number prefix “**H**”, were issued to certain veterans with service-connected disabilities. These policies were and are identical to the NSLI “**V**” policies in every respect, except that they do not pay annual dividends.

Beginning April 25, 1951, the Insurance Act of 1951 established the Veterans’ Special Life Insurance (VSLI) program, identified by policy number prefix “**RS**,” for veterans of the Korean Conflict and the immediate post-Korean period. At this time active duty service members were issued a no-cost policy for \$10,000 under a program called Servicemen’s Indemnity, which remained in force for 120 days after separation from service. During this 120-day period these veterans could apply for the VSLI \$10,000 special term insurance, which also could be renewed indefinitely. Enrollments under the VSLI program closed on December 31, 1956. Beginning in 1959, “**RS**” policyholders could either convert to a permanent plan or exchange their “**RS**” policies for a lower premium term policy, identified by policy number prefix “**W**.” These “**W**” policies had to be converted to a permanent plan before the veteran reached age 50 or they ceased coverage. Finally, in 1989 all remaining “**RS**” term policies had their premium rates capped at the age 70 levels.

The Insurance Act of 1951 also established an insurance program for veterans with service-connected disabilities, the Service-Disabled Veterans Insurance (S-DVI) program, identified by policy number prefix “**RH**”. This program is still open to veterans who are adjudicated as having a service-connected disability of any severity (including 0%), and continues to accept new enrollees. The veteran must apply for this insurance within two years from the date of notification that service connection is established for a condition. If the veteran does not apply within that time but service connection is later established for some new condition, the veteran will then have two years from the date of notice of that (new) condition to apply. The normal policy coverage is \$10,000; premiums for this may be waived if the veteran becomes totally disabled from any cause prior to age 65. The veteran may then apply for \$20,000 of supplemental coverage (for a total of \$30,000), providing application is made within one year from the date the veteran is notified of eligibility for waiver of the basic premium because of total disability. However, premiums on the supplemental coverage may not be waived. Beginning November 1, 2000, premium rates for “**RH**” policies were capped at age 70 levels. (See the sample S-DVI insurance application on pages 6-10 and 6-11.)

## VA Insurance

In 1959 an additional provision was made for those veterans who were eligible to apply for S-DVI but who became incompetent and then died as a result of service-connected disability before their legal fiduciary could make application. This gratuitous S-DVI, identified by policy number prefix “**ARH**”, is for a maximum amount of \$10,000 and is payable in a lump sum only, to the veteran’s spouse; or if no spouse, to the children, in equal shares; or if no children, to the parents, in equal shares. Application for gratuitous S-DVI must be received within two years of the veteran’s death.

Between May 1, 1965 and May 2, 1966, certain disabled veterans who had been eligible to obtain insurance between October 8, 1940 and January 1, 1957 but did not do so were given an opportunity to apply for Government life insurance under the Veterans’ Reopened Insurance (VRI) program, identified by policy number prefixes “**J**”, “**JR**”, or “**JS**”. The disabilities could be either service-connected or nonservice-connected. All policies under this program were permanent plans, no term policies issued. Because the policyholders are disabled, premium rates are higher than standard; the rates vary according to the nature and severity of the disabilities. In October 1977 all premium-paying “**JS**” policies were declared fully paid-up, and premiums are no longer collected on these policies.

The Servicemembers’ Group Life Insurance (SGLI) program was established in 1965. This is a group life policy issued by the Prudential Insurance Company of America, and is administered by the Office of Servicemembers’ Group Life Insurance (OSGLI) under VA supervision. The program provides full-time coverage of up to \$400,000 (beginning September 1, 2005) to all commissioned officers, warrant officers, and enlisted members of the Armed Forces, as well as to commissioned members of the National Oceanic and Atmospheric Administration and the U.S. Public Health Service, to cadets and midshipmen of the U.S. Service Academies, and to Ready Reservists who are scheduled to perform at least 12 periods of inactive duty training per year.

Maximum coverage of \$400,000 is automatic for the eligible service member or Reservist upon entry onto active duty or Reserve status, unless the member declines coverage or elects reduced coverage, in increments of \$50,000. Full-time coverage remains in effect throughout the member’s period of active duty or Reserve status, and for a period of 120 days following separation or release. However, if the service member is totally disabled at the time of separation from active duty, he or she may obtain free (no-cost) coverage upon application until the total disability ends or for two years (Public Law 109-233, effective June 15, 2006), whichever occurs first. (The length of the disability extension will change to 18 months beginning October 1, 2011.) The member must either convert the SGLI coverage to Veterans’ Group Life Insurance (VGLI) or to an individual commercial life insurance policy before the expiration of the covered period.

Beginning December 1, 2005, an additional special Traumatic Injury Protection (TSGLI) feature is also provided to all service members who are presently covered under SGLI, and will be retroactively provided to service members who received covered injuries while serving in Operation Iraqi Freedom or Operation Enduring Freedom between October 7, 2001 and December 1, 2005. The service member may not decline this coverage unless he/she also declines basic SGLI coverage. Payments will range from \$25,000 up to a maximum of \$100,000. Covered traumatic injuries include permanent total blindness in one or both eyes; severance of one or both hands, or one or both feet, at or above the wrist or ankle; permanent total deafness in one or both ears; severance of the thumb and index finger of the same hand; 3° burns covering 30% or more of the face, or 30% or more of the body; hemiplegia, paraplegia, or quadriplegia; or coma or inability to carry out activities of daily living due to traumatic brain injury.

## **VA Insurance**

The dependent spouse and child(ren) of an eligible service member or Reservist may also be insured, under Family SGLI (FSGLI). The service member or Reservist must be insured under SGLI before dependents may be insured under this program. Coverage is \$100,000 for the spouse, unless the sponsor elects coverage of less than \$100,000, and \$10,000 for each child. When the sponsoring service member or Reservist is separated or released from active duty or Reserve status, the insured spouse will have 120 days to convert the FSGLI policy to a commercial life insurance policy (there is no equivalent coverage under VGLI for a spouse). FSGLI insurance for a dependent child will terminate when the sponsoring service member is separated or released from active duty or Reserve status. The same time limits and other restrictions will apply if the sponsor should die while insured under SGLI.

Part-time SGLI coverage is provided to eligible Reservists (but not to their dependents) who do not qualify for full-time coverage. Part-time coverage is in effect only on the actual days of active duty or active duty for training and the travel to and from such duty. Coverage may be extended for 120 days if the member incurs or aggravates a disability during a period of such duty.

The Veterans' Group Life Insurance (VGLI) program was established in 1974. Like SGLI, the program is a group life policy issued by the Prudential Insurance Company of America, and is administered by OSGLI under VA supervision. VGLI is a renewable five-year term insurance. It can be converted at any time to an individual commercial life insurance policy with any one of the participating commercial insurance companies.

VGLI insurance is a term life insurance only. It does not pay dividends. There are no loan, cash, paid-up, or extended insurance values, and there are no provisions for waiver of premiums or other benefit because of total disability

Service members and Reservists with full-time SGLI coverage are eligible for VGLI upon being released from active duty or the Reserves, provided application for coverage is submitted within 120 days following separation (two years following separation, if the service member is totally disabled at time of separation). Members of the Ready Reserve who have part-time coverage under SGLI are also eligible for VGLI if they incur or aggravate a disability while performing active duty or active duty for training, which renders them uninsurable at standard rates. Finally, members of the Individual Ready Reserve (IRR) and Inactive National Guard (ING) are eligible for VGLI, provided they apply for coverage within 120 days after assignment, and for so long as they remain members of the IRR or ING.

Beginning September 1, 2005, VGLI will be issued in increments of \$50,000 up to \$400,000, but may not exceed the amount of SGLI in force at the time the veteran separated from active duty or the Reserves. Persons who were discharged from service prior to September 1, 2005 and who were enrolled in SGLI continue under the previous limits: VGLI will be issued in increments of \$10,000 up to a maximum of \$250,000, but not to exceed the amount of SGLI coverage in effect at time of discharge from service.

Since rates for term insurance increase as the policyholder gets older, a Decreasing Term Option has been added for older policyholders. This keeps the premiums level for life while the coverage declines by 25% over three successive five-year renewal periods, then remains level thereafter at 25% of the original coverage.

## VA Insurance

Veterans' Mortgage Life Insurance (VMLI) is a special mortgage life insurance issued only to those severely disabled veterans who have been issued a Special Adapted Housing grant by VA. Coverage is automatic unless the veteran specifically declines it. The maximum amount of the policy is \$90,000, and coverage decreases as the amount of the mortgage decreases. The insurance is payable only upon the veteran's death, and only to the mortgage lender. VMLI is not available if the veteran is 70 years old or more when eligibility for Special Adapted Housing arises. If the home is refinanced or remortgaged, the maximum amount of insurance will not be reinstated. If the veteran is a part owner of the home, the insurance will cover only the percentage of the title in the veteran's name. The insurance coverage terminates if the mortgage is fully paid off, or if the veteran terminates ownership of the property securing the mortgage. Beginning December 6, 2002, VMLI no longer automatically terminates upon the veteran's 70th birthday. Beginning October 1, 2005, VMLI premiums were reduced an average of 35 per cent for all current policyholders.

With certain exceptions, all VA policies have provision for waiver of premiums if the policyholder becomes totally disabled prior to age 65. The total disability need not be service-connected, but must last for at least six months. USGLI policyholders who elected the "Endowment at Age 96" option do not have waiver of premiums for total disability. Totally disabled veterans who have "**RH**" policies may be granted a waiver of premiums for the basic policy (\$10,000), but not for any supplemental coverage. Veterans who qualify for VMLI are totally disabled by definition, and there is no waiver of premiums. All USGLI, NSLI, VSLI, and VRI policies except for "**RH**", "**JR**", and "**JS**" also have a Total Disability Income Provision, which pays a monthly amount should the insured become totally disabled before age 65.

Insurance premiums which are not waived may be paid in any of several different ways: by direct payment (check or money order payable to VA); by allotment from service pay or military retired pay (if the insured veteran is receiving service pay or military retired pay); by deduction from VA benefits (if the veteran is receiving VA compensation or pension); by automatic deduction from the insured veteran's checking account (VA MATIC); or by using insurance dividends to pay the premiums.

USGLI, NSLI (except prefix "**H**"), VSLI, and VRI policies all pay annual dividends. Unless specified otherwise, dividends will be credited to an interest-bearing account, to be added to the cash value of the insurance. Other options include direct payment to the policyholder; using the dividends to pay premiums in advance; using the dividends to purchase additional paid-up insurance; or using the dividends to reduce indebtedness by applying them towards a loan or lien on the policy.

Except for SGLI, VGLI and VMLI policies, an insurance policy has a cash value equal to the reserve (the paid-up amount) plus any dividends held on deposit plus interest, less any indebtedness. After the policy has been in force for at least one year with all premiums either paid or waived, the policy may be surrendered for its cash value upon written request. However, if a policy is surrendered for cash it may not thereafter be reinstated. A loan for up to 94% of the value of the reserve less any indebtedness may be made on a policy which has been in force for at least one year with all premiums either paid or waived.

An insured veteran may name any person(s) or legal entity as beneficiary, including corporations and estates. Unless the veteran specifies otherwise, beneficiary designation(s) will apply to all of the veteran's policies. If there are multiple beneficiaries, the share distribution must equal 100%.

## VA Insurance

Principal and contingent beneficiaries must always be clearly identified as such. All beneficiary designations must be in writing and must be witnessed. If no beneficiary is designated, the standard order of distribution is: (1) spouse; (2) children (in equal shares); (3) parents (in equal shares); (4) executor/administrator of the estate; or (5) other next of kin. (See the sample designation form on pages 6-7 and 6-8.) The insured veteran retains ownership of the policy or policies, and retains the absolute right to name or change beneficiaries regardless of state court orders, property settlements, or divorce decrees to the contrary. Ownership of the policy may not be divested from the insured, nor may it be transferred to a trust (however, a trust may be named as a beneficiary).

If the veteran is adjudged incompetent by a court of competent jurisdiction, the legal representative (guardian, conservator, etc.) may make a beneficiary designation on the veteran's behalf, with the specific authorization of the court. An alternative is to have the veteran make the change of beneficiary during a lucid moment; this must be witnessed by a physician, who must then verify in writing that the insured had the capacity to understand the nature and consequences of the action. A last will and testament may not be used to make a change of beneficiary, although it can be used to designate changes in payment options.

VA insurance proceeds other than SGLI or VGLI are paid either as a lump sum or in guaranteed installments of from 36 to 240 monthly payments. If installments are selected and no beneficiary survives the insured, or no beneficiary survives to receive all of the guaranteed installments, any available amounts will be paid in a lump sum to the veteran's estate (or for USGLI policies, the estate of the last surviving beneficiary). If a lump-sum option is selected, the proceeds are paid to the beneficiary's estate unless the insured has directed that they be paid to contingent beneficiaries. If multiple beneficiaries are named, the share(s) of any beneficiaries who die before the veteran are paid to the surviving beneficiaries. (See the sample claim form on page 6-9.)

SGLI and VGLI policy proceeds are payable either as a lump sum, or in installments of not more than 36 equal monthly payments. If the lump sum option is chosen, the proceeds are deposited into an interest-bearing account called an "Alliance Account," which is guaranteed by Prudential. The beneficiary is issued a checkbook from which checks may be written against the account, for any amount from \$250 up to the full amount of the proceeds.

SGLI and VGLI policies also have an "accelerated benefit" provision for terminally ill insured persons. This permits payment of up to one-half the face amount of the policy (reduced by the amount of interest which would have been earned but for the early payment) to the insured person prior to his or her death, in increments of \$5,000. Medical certification of life expectancy of nine months or less is required. The accelerated benefit option may only be requested by the insured person. Application is made by completing SGLV 8284, *Servicemembers' and Veterans' Group Life Insurance Accelerated Benefits Option*, (which contains provision for the required physician's certificate), and submitting it to:

OSGLI ABO Claim Processing  
290 West Mt. Pleasant Avenue  
Livingston, NJ 07039.

# VA Insurance

SAMPLE COPY

IMPORTANT - SEE INSTRUCTIONS

OMB Approved No. 2900-0020  
Respondent Burden: 10 minutes

Department of Veterans Affairs		DESIGNATION OF BENEFICIARY GOVERNMENT LIFE INSURANCE	
DO NOT WRITE IN SPACE BELOW - FOR VA USE ONLY			
ENTERED BY	DATE	SIGNATURE OF VA INSURANCE OFFICIAL	
1A. NAME OF INSURED AND MAILING ADDRESS FOR INSURANCE PURPOSES (Type or print)			
<p style="text-align: center;">JERRY WAYNE WATERWOOD <i>(First, middle, last name)</i></p> <p style="text-align: center;">2551 SEDGELAND DRIVE <i>(Number and street or rural route)</i></p> <p style="text-align: center;">PINECREST, CA 95300 <i>(City or P. O., State and ZIP Code)</i></p>			
18. IS THIS A CHANGE OF ADDRESS FOR YOUR INSURANCE		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO	
2A. INSURANCE FILE NUMBER			
F RH 2243126 38			
2B. SOCIAL SECURITY NUMBER			
231-98-9999			
3. DAYTIME TELEPHONE NUMBER <i>(Include Area Code)</i>			
(209) 555-1212			
4. BENEFICIARY DESIGNATION			
A. SHOW FULL NAME AND ADDRESS OF EACH BENEFICIARY ENTERED IN THE PRINCIPAL AND CONTINGENT BENEFICIARY AREAS BELOW	B. BENEFICIARY'S SOCIAL SECURITY NO. <i>(If known, See instruction No. 5 on reverse)</i>	C. RELATIONSHIP TO INSURED	D. SHARE TO EACH <i>(Use fractions, such as 1/2, 2/3, or "all")</i>
E. OPTION FOR EACH <i>(1, 2, 3 OR 4)</i>			
<b>PRINCIPAL</b>			
Diane Waterwood 5999 Maplewood Ave., Pinecrest, CA 95300	133-32-5555	MOTHER	1/2
Jerry K. Waterwood 3232 Oakwood Forest Dr. Pinecrest, CA 95300	269-80-1234	SON	1/2
			LUMP SUM
			LUMP SUM
<b>OR TO</b>			
<b>CONTINGENT</b> <i>(Person(s) who get proceeds if all of the Principal Beneficiaries die before the insured. If none, write "none")</i>			
			LUMP SUM
<b>TO THE ESTATE BY MY WILL</b>			
			LUMP SUM
			LUMP SUM
			LUMP SUM
<b>OR</b>			
5. REMARKS <i>(Include any additional information which will clarify your intent regarding the payment of your insurance. Also, list the policy number of any other policy on which the beneficiary is not to be changed)</i>			
I understand that this change cancels all prior beneficiary and option selections; and unless indicated in Item 5, Remarks, this change applies to all Government Life Insurance policies under the above file number.			
6. SIGNATURE OF INSURED <i>(Do not print)</i>		7. DATE	
Jerry Wayne Waterwood		1-7-05	
8. NAME AND ADDRESS OF WITNESS <i>(Type or print)</i>			
Joe Shouldbe Beneficiary 1 S. Forest Rd Pinecrest, Ca 95300			
If you have any questions concerning designating a beneficiary, call us toll free at 1-800-669-8477.			

VA FORM  
FEB 2003 29-336

EXISTING STOCKS OF VA FORM 29-336, JUN 2001,  
WILL BE USED.

## VA Insurance

### DEPARTMENT OF VETERANS AFFAIRS GOVERNMENT LIFE INSURANCE IMPORTANT INFORMATION AND INSTRUCTIONS FOR NAMING BENEFICIARIES

In order to protect your beneficiary(ies), it is important to keep your Beneficiary Designation up to date. A properly completed, current designation filed with your insurance records will ensure that your insurance will be paid to the person(s) you want to get it. The information and instructions on this page are provided to help you complete the Beneficiary Designation on the reverse side of this form.

1. You have the right to change the beneficiary(ies) at any time without the knowledge or consent of the prior beneficiary(ies). A state court order or divorce decree cannot restrict this right and is not binding on you.
2. You may name as beneficiary(ies) any person, firm, corporation or other legal entity including your estate.
3. This designation will cancel and replace all previous designations for all of your policies. Any policies you wish to be excluded from this designation must be listed in Remarks on the designation form.
4. When inserting a beneficiary's name, please provide the first name, middle initial, and last name. For example, use John J. Smith. For married persons, use Mary K. Smith, not Mrs. John J. Smith.
5. DO NOT DELAY SENDING THIS DESIGNATION if you do not have a beneficiary's social security number handy. Your designation is still valid even if you do not know the social security number, so send this designation right away. Having the beneficiary's social security number will help us locate the beneficiary.
6. If you name more than one principal or contingent beneficiary, please show the share, in fractions such as 1/2 or 1/3, etc., which each is to receive and make certain that the shares total "1". Equal shares will be paid unless you designate otherwise.
7. The "LUMP SUM" preprinted in the "option for each" block means that the beneficiary(ies) may choose to receive the insurance in one lump sum or in monthly payments. For information on monthly payment options call our toll-free number below.
8. The preprinted phrase "or to survivor(s)" means that the share of a beneficiary(ies) who dies before you will be paid to the surviving beneficiaries. For example, if you name three principal beneficiaries and one dies before you, the share will be paid to the other principal beneficiaries, not to any contingent beneficiaries. For information about alternatives to the automatic survivorship clause, please call our toll-free number below.
9. If no beneficiaries survive you or none are selected, the insurance proceeds will be paid to your estate.
10. MAILING INSTRUCTIONS - Send the form promptly upon completion to the address below. A copy will be returned to you as evidence of receipt by VA. The address is:

**VARO&IC (B&O)  
P.O. BOX 7208  
PHILADELPHIA, PA 19101**

**IF YOU HAVE ANY QUESTIONS CONCERNING YOUR GOVERNMENT LIFE INSURANCE,  
PLEASE FEEL FREE TO CALL OUR TOLL-FREE NUMBER 1-800-669-8477.**

**PRIVACY ACT INFORMATION** - No designation of beneficiary may be made unless a completed form has been received ((38 USC 1917, 1949 and 1952). The information provided on a voluntary basis will be used by VA employees and your authorized representatives in the maintenance of Government Insurance programs. Responses may be disclosed outside VA only if the disclosure is authorized under the Privacy Act, including the routine uses identified in the VA system of records, 36VA00, Veterans and Armed Forces Personnel U.S. Government Life Insurance Records - VA, published in the Federal Register.


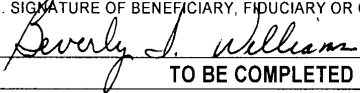
**RESPONDENT BURDEN** - VA may not conduct or sponsor, and respondent is not required to respond to this collection of information unless it displays a valid OMB Control Number. Public reporting burden for this collection of information is estimated to average 10 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have comments regarding this burden estimate or any other aspect of this collection of information, call 1-800-827-1000 for mailing information on where to send

**NOTE: THIS FORM IS NOT TO BE USED FOR SERVICEMEMBERS' OR VETERANS  
GROUP LIFE INSURANCE.**



SAMPLE COPY

OMB Approved No. 2900-0060  
Respondent Burden: 6 Minutes


 <b>Department of Veterans Affairs</b>		1. INSURANCE FILE
		FV 1 234 56
		2. INSURANCE POLICY
		V 1 234 56
<b>CLAIM FOR ONE SUM PAYMENT</b> <b>GOVERNMENT LIFE INSURANCE</b>		3. NET AMOUNT OF INSURANCE
		10,000.00
4. FIRST, MIDDLE, LAST NAME OF INSURED VETERAN		5. BENEFICIARY'S SHARE ( <i>Fraction</i> )
LEWIS A. WILLIAMS		ALL
<p align="center"><b>INSTRUCTIONS</b></p> <p>To claim the proceeds of a Government Life Insurance policy, please complete, sign and return this form.</p> <p>IF YOU ARE INTERESTED IN RECEIVING THE PROCEEDS BY DIRECT DEPOSIT, PLEASE FILL OUT THE INFORMATION BELOW.</p> <p>WE ALSO NEED A PHOTOCOPY OF THE VETERAN'S DEATH CERTIFICATE OR A STATEMENT FROM THE ATTENDING PHYSICIAN SHOWING DATE AND CAUSE OF DEATH. ONLY ONE CERTIFICATE OR STATEMENT IS REQUIRED FOR OUR RECORDS.</p> <p>If the beneficiary is a minor or incompetent, the person having custody of the beneficiary should complete the form and give his/her address in Item I 0. If you are signing as the guardian or attorney-in-fact, please include a copy of the court appointment or power of attorney.</p> <p>Send this completed form to: Department of Veterans Affairs Regional Office and Insurance Center P.O. Box 7208 Philadelphia, PA 19101</p> <p>NOTE: If you prefer, instead of mailing this form, it may be FAXED to: 1-888-748-5822.</p>		
6. FIRST, MIDDLE, LAST NAME OF BENEFICIARY ( <i>Please print</i> )		7. RELATIONSHIP TO INSURED
Beverly S. Williams		Surviving Spouse
8. BENEFICIARY'S DATE OF BIRTH		9. BENEFICIARY'S SOCIAL SECURITY NUMBER
08/02/1947		704-46-6805
10. ADDRESS OF BENEFICIARY ( <i>Address where check is to be mailed</i> ) ( <i>Please print</i> )		11. BENEFICIARY'S DAYTIME TELEPHONE
1190 Duchess Drive Mtn. Ranch, CA 95300		(209) 555-1212
		12. DATE OF DEATH OF INSURED
		09/25/2004
CERTIFICATION: I certify that the above entries are true and correct to the best of my knowledge and belief		
13. SIGNATURE OF BENEFICIARY, FIDUCIARY OR GUARDIAN		14. DATE
		01-03-05
<b>TO BE COMPLETED BY BENEFICIARY IF DIRECT DEPOSIT IS DESIRED</b>		
A. NAME OF FINANCIAL INSTITUTION		B. ROUTING TRANSIT NUMBER
First Bank		00129461
C. ADDRESS OF FINANCIAL INSTITUTION		D. DEPOSITOR ACCOUNT NUMBER
65 Church St. San Andreas, CA 95220		00001345
E. TELEPHONE NUMBER OF FINANCIAL INSTITUTION		F. TYPE OF DEPOSITOR ACCOUNT
( 209 ) 115-1212		<input checked="" type="checkbox"/> CHECKING <input type="checkbox"/> SAVINGS
<small>PRIVACY ACT NOTICE: No proceeds may be paid unless a completed claim form has been received (38 U.S.C. 1917 and 1952). The information provided on a voluntary basis will be used by VA employees and your authorized representatives in the maintenance of Government Insurance programs. Responses may be disclosed outside the VA only if the disclosure is authorized under the Privacy Act, including the routine uses identified in the VA system of records, 36VA00. Veterans and Armed Forces Personnel U.S. Government Life Insurance Records - VA, published in the Federal Register.</small> <small>RESPONDENT BURDEN: VA may not conduct or sponsor, and respondent is not required to respond to this collection of information unless it displays a valid OMB Control Number. Public reporting burden for this collection of information is estimated to average 6 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have comments regarding this burden estimate or any other aspect of this collection of information, call 1-800-827-1000 for mailing information on where to send your comments.</small>		
<b>IF YOU HAVE QUESTIONS ABOUT THIS FORM, PLEASE CALL OUR TOLL FREE NUMBER 1-800-669-8477.</b>		

VA FORM  
MAY 2003 29-4125EXISTING STOCK OF VA FORM 29-4125, DEC 2001,  
WILL BE USED.

# VA Insurance

SAMPLE COPY

OMB A proved No. 2900-0068  
Respondent Burden: 40 minutes

 <b>Department of Veterans Affairs</b>		<b>APPLICATION FOR SERVICE-DISABLED INSURANCE</b>		
<p><b>PRIVACY ACT INFORMATION:</b> No insurance may be granted unless a completed application has been received (38 U.S.C. 722). The information provided on a voluntary basis, will be used by VA employees and your authorized representative in the maintenance of Government insurance programs. Responses may be disclosed outside the VA only if the disclosure is authorized under the Privacy Act, including the routine uses identified in the VA system of records, 36VA00, Veterans and Armed Forces Personnel U.S. Government Life Insurance Records - VA, published in the Federal Register.</p>				
<p><b>RESPONDENT BURDEN:</b> VA may not conduct or sponsor, and the respondent is not required to respond to this collection of information unless it displays a valid OMB Control Number. Public reporting burden for this collection of information is estimated to average 40 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. If you have questions regarding this burden estimate or any other aspect of this collection of information, call 1-800-827-1000 for mailing information on where to send your comments.</p>				
<p align="center"><b>IMPORTANT INFORMATION</b></p> <p>You may qualify for up to \$10,000 coverage at regular premium rates even if you have been rejected for insurance by a commercial company or were offered a policy at high premiums because of a disability.</p> <p>Before you decide to apply for this coverage we encourage you to be a smart shopper and compare our premium rates to a few other insurance companies. After all, life insurance is an important decision and we want you to get the best deal possible for your money. If your disability is not serious, a commercial company may be able to offer you a better deal. Compare their premium rates to the Government Life Insurance rates in VA pamphlet 29-9.</p> <p>When considering the cost of this coverage, remember that if you become totally disabled and unable to work for six or more months, you do not have to pay premiums on your Government Life Insurance policy. This benefit is added at no extra cost. Most commercial life insurance companies add an additional charge for this benefit.</p> <p>Do not delay when comparing costs; you have only two years from the date VA notified you of your service-connected disability to apply for our coverage (this time period is reduced to one year if the date VA notified you of your service-connected disability was prior to September 1, 1991). (NOTE: Although not required, if you send in a copy of your disability notification letter, it may help us process your application more quickly.)</p> <p>If you have any questions on Government Life Insurance, just call our toll-free number, 1-800-669-8477. We will be on the line ready to help you with your questions. If you decide to apply, fill out the application below.</p> <p align="center"><b>PLEASE BE SURE TO COMPLETE BOTH SIDES OF THIS APPLICATION</b></p>				
<p><b>1. NAME AND MAILING ADDRESS FOR INSURANCE PURPOSES</b></p>				
<p>A. FIRST, MIDDLE, LAST NAME</p> <p align="center">Jerry Wayne Waterwood</p>				
<p>B. NUMBER AND STREET OR RURAL ROUTE</p> <p align="center">2551 Sedgeland Drive</p>				
<p>C. CITY, STATE AND ZIP CODE</p> <p align="center">San Andreas, CA 95201</p>				
<p><b>2. BENEFICIARY DESIGNATION AND SELECTION OF OPTIONAL SETTLEMENT</b></p>				
<p>COMPLETE NAME AND ADDRESS OF EACH PRINCIPAL AND CONTINGENT BENEFICIARY (If a married woman, enter her own first and middle names. For example, Mary Rose Smith, not Mrs. John Smith)</p> <p align="center">A.</p>	<p>BENEFICIARY'S SOCIAL SECURITY NO. (If known, See Important Information on Reverse)</p> <p align="center">B.</p>	<p>RELATIONSHIP OF EACH TO THE INSURED</p> <p align="center">C.</p>	<p>AMOUNT TO EACH (Fractions such as 1/2, 2/3, or 3/4)</p> <p align="center">D.</p>	<p>OPTION FOR EACH (1, 2, 3, OR 4)</p> <p align="center">E.</p>
Diane Waterwood 5999 Maplewood Ave., San Andreas, CA 95201	133-22-5555	Mother	1/2	1
Jerry K. Waterwood 9555 Oakwood Dr. San Andreas, CA 95201	269-80-1234	Son	1/2	1
				1
				1
OR TO SURVIVORS				
CONTINGENT (Person(s) who get the proceeds if the principal beneficiary(ies) die before the insured. If none, write "NONE")				
TO MY ESTATE BY MY WILL				
				1
				1
				1
				1
OR TO SURVIVORS				
DO NOT WRITE IN THE SPACE BELOW - FOR VA USE ONLY				
ENTER BY VA	SIGNATURE OF VA INSURANCE OFFICIAL		DATE RECORDED	

VA FORM 29-4364  
MAY 1999

SUPERSEDES VA FORM 29-4364, MAR 1999,  
WHICH WILL NOT BE USED.

Continued on Reverse

## VA Insurance

EVERY QUESTION MUST BE ANSWERED, BE SURE TO SIGN ON THIS SIDE			
3. VA CLAIM NUMBER (if any)  C- 29 313 414	4. SOCIAL SECURITY NUMBER  231-98-9999	5. DATE OF BIRTH (Month, Day, Year)  02/25/1949	6. DAYTIME TELEPHONE NUMBER (include Area Code)  ( 209 ) 555-1212
7. ENTER AMOUNT, PLAN AND PREMIUM OF THE INSURANCE FOR WHICH YOU ARE APPLYING			
A. AMOUNT OF INSURANCE \$10,000	B. PLAN OF INSURANCE term	C. MONTHLY PREMIUM \$12.80	
8. CHECK THE METHOD SHOWING HOW YOU WISH TO PAY FOR THIS INSURANCE			
<input checked="" type="checkbox"/> A. I WANT TO PAY PREMIUMS BY A MONTHLY DEDUCTION FROM MY VA COMPENSATION OR PENSION (We will start the deduction for you if the insurance is approved)			
<input type="checkbox"/> B. I WANT TO PAY PREMIUMS BY A MONTHLY ALLOTMENT FROM MY MILITARY SERVICE/RETIREMENT PAY (We will start the allotment for you if the insurance is approved)			
<input type="checkbox"/> C. I WANT VA TO AUTOMATICALLY WITHDRAW THE PREMIUM EACH MONTH FROM MY BANK ACCOUNT (VA MATIC) (SEND YOUR FIRST PAYMENT WITH THIS APPLICATION)			
<input type="checkbox"/> D. I WILL SEND PREMIUMS DIRECTLY TO VA AS FOLLOWS: (SEND YOUR FIRST PAYMENT WITH THIS APPLICATION)			
MONTHLY      QUARTERLY      SEMI-ANNUALLY      ANNUALLY			
9A. ARE YOU NOW WORKING?  YES <input checked="" type="radio"/> NO	9B. DO YOU WORK FULL-TIME?  YES <input checked="" type="radio"/> NO	9C. IF NOT WORKING OR WORKING PART-TIME, EXPLAIN WHY  PTSD	
10A. ARE YOU NOW HOSPITALIZED? (If "YES," for what condition(s) ?) (List below)  YES <input checked="" type="radio"/> NO		10B. NAME AND ADDRESS OF HOSPITAL  N/A	
11. HAVE YOU AT ANY TIME REQUIRED ANY FORM OF TREATMENT OR REHABILITATION OR BEEN FORCED TO DISCONTINUE EMPLOYMENT AS A RESULT OF THE USE OF ALCOHOL OR DRUGS, INCLUDING MARIJUANA, SEDATIVES, STIMULANTS, BARBITURATES, ETC.? (if, "YES," give date(s) and type of treatment(s))  YES <input checked="" type="radio"/> NO			
12. HAVE YOU HAD ANY OF THE FOLLOWING:		YES	NO
A. DIZZY OR FAINTING SPELLS?			X
B. TUBERCULOSIS, BRONCHITIS, OR PLEURISY?			X
C. MENTAL OR NERVOUS DISORDERS?		X	
D. BLOOD DISORDER?			X
E. HEART CONDITION?			X
F. CANCER, TUMOR, OR GOITER?			X
G. ULCERS OR GALLSTONES?			X
H. DIABETES?			X
I. EPILEPSY OR PARALYSIS?			X
J. HIGH BLOOD PRESSURE?			X
15A. HEIGHT 5 FEET 11 INCHES		15C. HAS YOUR WEIGHT CHANGED MORE THAN TEN POUNDS DURING THE PAST TWO YEARS? (If "YES," give complete details including amount gained or lost and length of time present weight maintained)  YES <input checked="" type="radio"/> NO	
15B. WEIGHT 165 LBS.		14. HAVE YOU HAD ANY OTHER PHYSICAL DEFECT OR DISEASE? (If "YES," explain below)  SERVICE CONNECTED PTSD - 100%	
CERTIFICATION.- I have reviewed all of my answers above and certify that they are true and correct to the best of my knowledge and belief.			
16A. SIGNATURE OF APPLICANT (Do NOT print, sign in ink) 			16B. DATE 01-05-05
<p style="text-align: center;"><b>IMPORTANT INFORMATION</b></p> <p>This form may be used by any person released from active service in the Armed Forces on or after April 25, 1951, who has a service-connected disability and meets good health standards as established by the Secretary of Veterans Affairs. The application for insurance and payment of the required premium must be made within two years from the date of notice by the Department of Veterans Affairs (VA) that any disabilities are determined to be service-connected (this time period is reduced to one year if the date VA was notified of your service-connected disability was prior to September 1, 1991). Only the veteran, or COURT-APPOINTED guardian, or VA recognized fiduciary, can apply for this insurance. DO NOT DELAY SENDING THIS DESIGNATION if you do not have a beneficiary's Social Security Number handy. Your application and designation are still valid even if you do not know the Social Security Number, so send this form promptly upon completion. Having the beneficiary's Social Security Number will help us locate the beneficiary.</p> <p style="text-align: center;">After completion of this application, submit it IMMEDIATELY to:  <b>DEPARTMENT OF VETERANS AFFAIRS</b>  <b>REGIONAL OFFICE AND INSURANCE CENTER (RH)</b>  <b>P.O. BOX 7208</b>  <b>PHILADELPHIA, PA 19101</b></p> <p style="text-align: center;">If you have any questions about this insurance, please call toll-free at 1-800-669-8477</p>			

## **VA Insurance**

**— Notes —**

## **VA Insurance**

**— Notes —**

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**— Notes —**

## VA Insurance

### Study Questions:

Using the assigned references and reading materials, answer the following questions:

1. The USGLI program was established to meet the needs of \_\_\_\_\_ veterans.
  - a. World War I
  - b. World War II
  - c. Korean Conflict
  - d. Vietnam Era
2. All USGLI policies were declared fully paid-up as of:
  - a. January 3, 1974
  - b. October 8, 1981
  - c. January 1, 1983
  - d. April 1, 1992
3. Beginning in 1991, gratuitous S-DVI insurance is payable to the beneficiary only as a lump-sum payment.  
(T/F)
4. For veterans who qualify for VMLI insurance, the maximum coverage is \$\_\_\_\_\_.
  - a. \$55,000
  - b. \$75,000
  - c. \$90,000
  - d. \$115,000
5. The maximum coverage available under SGLI is \$250,000, and is automatically assigned upon entry onto active duty. May the service member elect lesser coverage?  
(Y/N)
6. The spouse of a service member covered under SGLI may also be insured under SGLI, and may convert that insurance to either VGLI or to a commercial life insurance policy if application is made within 120 days of the date the sponsoring service member is separated from active duty.  
(T/F)

## VA Insurance

7. A veteran who was covered under SGLI while on active duty may convert that policy to VGLI by making application within 180 days of separation from active duty.  
(T/F)
8. To qualify for S-DVI coverage, a veteran must have at least one compensable (10%) service-connected disability.  
(T/F)
9. Who is the beneficiary on a VMLI policy?
- a. The mortgage holder (lender) on the veteran's specially adapted house.
  - b. The veteran's spouse.
  - c. Any co-mortgagee other than the veteran's spouse.
  - d. None of the above.
10. Can a veteran name a new insurance beneficiary in his or her will?  
(Y/N)
11. What is the time limit for applying for coverage under the S-DVI ("RH") insurance program?
- a. Six months after separation from active duty, if the veteran has a disability.
  - b. One year from the date the veteran applies for service connection for a disability.
  - c. One year from the date VA notifies the veteran of the grant of service-connection.
  - d. Two years from the date VA notifies the veteran of the grant of service-connection.
12. How many different insurance programs does the Department of Veterans Affairs administer, either directly or indirectly?
- a. Six (6)
  - b. Eight (8)
  - c. Twelve (12)
  - d. Sixteen (16)
13. Unless specified otherwise, a beneficiary designation applies to all of the veteran's insurance policies.  
(T/F)



## VA Insurance

14. The loan value of an insurance policy which has been in effect for at least one year, with all premiums either paid or waived, is 94% of the reserve value less any indebtedness.  
(T/F)
15. All veteran's insurance programs provide for waiver of premiums for total disability.  
(T/F)
16. Which of the following types of policies do **not** provide for a Total Disability Income Provision to the basic policy?
- a. Service-Disabled Veterans' Insurance ("RH")
  - b. Veterans' Reopened Service-Disabled Insurance ("JR")
  - c. Veterans' Reopened Nonservice-Disabled Insurance ("JS")
  - d. All of the above